Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 123845

73
ORIGIN XMB-07

INFO OCT-01 NEA-10 ADP-00 EB-11 AID-20 IGA-02 L-03 COME-00

FRB-02 TRSE-00 OMB-01 CIAE-00 INR-10 NSAE-00 RSC-01

/068 R

66632
DRAFTED BY XMB: JCFLEIG
APPROVED BY EB/ OCA/ REP: LAKLIEFORTH
XMB: DBOSTWICK
NEA/ TUR: RDILLON
EB/ IFD/ ODF: ENLINTON
---------- 046769
R 252100 Z JUN 73
FM SECSTATE WASHDC
TO AMEMBASSY ANKARA

LIMITED OFFICIAL USE STATE 123845

EO 11652: GDS
TAGS: EGEN, ETRD
SUBJ: EXIMBANK PRELIMINARY COMMITMENTS FOR TURKEY

1. PURSUANT TO DISCUSSIONS INITIATED DURING EXIMBANK CHAIRMAN KEARNS' S VISIT TO TURKEY IN NOV, 1972, THE TURKISH MINISTRY OF FINANCE AND EXIMBANK CONCLUDED, IN APR 1973, A PROCEDURAL ARRANGEMENT COVERING EXIMBANK ASSISTANCE TO TURKEY. ONE OF THE PRINCIPAL FEATURES OF THIS ARRANGEMENT IS THAT EXIMBANK PRELIMINARY COMMITMENTS INVOLVING OVER $1 MILLION WILL BE REFERRED TO THE MIN OF FINANCE FOR REVIEW BEFORE THE PC' S ARE ISSUED. THE ARRANGEMENT ALSO PROVIDES THAT IF THE MIN FEELS THAT THE PROPOSED PURCHASES ARE NOT IN KEEPING WITH TURKEY' S ECONOMIC DEVELOPMENT PLANS, THE MIN MAY SO INFORM EXIM AND EXIM WILL NOT ISSUE THE PC. THE BASENCE OF A NEGATIVE REPLY WITHIN 20 DAYS OF EXIM' S QUERY IS TO BE CONSTRUED AS APPROVAL OF THE PC.

2. THE FIRST THREE PC' S TO BE CONSIDERED UNDER THE NEW GROUND RULES
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 123845

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

WERE APPROVED BY THE EXIM BOARD IN EARLY JUNE AND REFERRED TO THE MIN OF FINANCE. THE FIRST, REQUESTED BY CCA ELECTRONICS, COVERED $5 MILLION OF EQUIPMENT FOR TURKISH RADIO AND TV. THE SECOND COVERED A PROPOSED SALE OF UP TO $45 MILLION OF RAILWAY LOCOMOTIVES BY EITHER GE OR GM, WHO WERE COMPETING AND EACH OF WHOM HAD REQUESTED PC' S. THE THIRD WAS A PC REQUESTED BY NORTH CAROLINA NATIONAL BANK ON BEHHALF OF US TEXTILE EQUIPMENT SUPPLIERS FOR A PROPOSED SALE TO YIFAS YESILYURT IPLIK FAKBRIKASI OF $3.3 MILLION. MIN OF FINANCE SPECIFICALLY REFUSED TO CONCUR IN FIRST TWO PC' S AND REQUESTED THAT EXIM WITHHOLD ISSUANCE OF THIRD.

3. EXIM NATURALLY IS PUZZLED BY THESE REPLIES, SINCE IN FIRST TWO CASES PROPOSED US SUPPLIERS IN THEIR PC APPLICATIONS STATED THAT THEY WERE RESPONDING TO PUBLISHED BID INVITATIONS. EXIM BELIEVES IT VERY IMPORTANT, ESPECIALLY AT OUTSET OF NEW ARRANGEMENT, THAT THE CLEARANCE PROCEDURE NOT BE USED AS A TOOL AGAINST US SUPPLIERS, AS MIGHT BE THE CASE IF PROPOSED CONTRACT PRICES ARE MISUNDERSTOOD OR IF THE CLEARANCE PROCEDURE BECOMES A DEVICE FOR ELIMINATING PROSPECTIVE SUPPLIERS WITHOUT GIVING THEM THE OPPORTUNITY TO QUOTE FINANCING OR OTHERWISE NEGOTIATE. ALSO, POSSIBILITY EXITS THAT MIN OF FINANCE MIGHT VIEW CONCURRENCE IN THE PC AS A COMMITMENT ON ITS PART, WHEN IN FACT SUCH CONCURRENCE MERELY GIVES THE GREEN LIGHT FOR CONTINUED NEGOTIATIONS AND IN NO WAY COMMITS THE MIN TO ANY FOLLOW- ON GUARANTEE.

4. IN VIEW OF EXIM' S CONCERN OVER THIS POSSIBLE MISUNDERSTANDING, WHICH, IF THE PATTERN CONTINUES, WOULD EFFECTIVELY HAMPER EXIM' S EFFORTS TO BE OF ASSISTANCE TO BOTH US SUPPLIERS AND TURKISH CUSTOMERS,

EMB IS REQUESTED TO TAKE APPROPRIATE ACTION WITH MIN OF FINANCE. SUCH ACTION SHOULD INCLUDE ATTEMPT TO ASCERTAIN WHETHER MIN MISUNDERSTANDS EITHER THE EXIM PC PROCEDURE OR THE OPERATING PROCEDURE, OR POSSIBLY BOTH, AND WHETHER MIN INTENDS TO CONTINUE THIS RESTRICTIVE APPROACH IN FUTURE. IF LATTER IS TRUE, EXIM WILL CONSIDER WITHDRAWING FROM OPERATING PROCEDURE. ROGERS

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a
*** Current Classification *** LIMITED OFFICIAL USE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: collinp0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE123845
Document Source: CORE
Document Unique ID: 00
Drafter: JCFLEIG
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730631/aaaajrhp.tel
Line Count: 101
Locator: TEXT ON-LINE
Office: ORIGIN XM
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 08 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Jan-2002 by martinjw>; APPROVED <25 FEB 2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 980302
Subject: EXIMBANK PRELIMINARY COMMITMENTS FOR TURKEY
TAGS: EGEN, ETRD, TU
To: ANKARA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005